Advanced Jet Trainer for safe and smooth transition of young trainee pilots to high performance/technology aircraft in front line Squadrons.

Defence Equipment Agents

1096. SHRI SATISH PRADHAN: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that commissions paid to defence agents shall henceforth be reflected in contracts for the purpose of defence equipment;

(b) if so, the details thereof; and

(c) the steps Government has so far taken or propose to take to book all the defence equipment agents?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) A Comprehensive formulation of the role, if any, which Authorised Representatives/Agents employed by foreign suppliers for the promotion of their product, may legitimately be expected to play, has been receiving the attention of Government for some time. The entire policy has been extensively reviewed recently with the objective of defining the scope, extent and the conditions within which such Authorised Representatives/Agents may be allowed to represent a foreign supplier or suppliers.

It is in this context that Ministry of Defence have, on 2nd November 2001, issued comprehensive instructions relating to appointment of Indian Authorised Representative/Agents by foreign suppliers for the promotion of their product.

The instructions provide that in all purchases affected through Indian Authorised Representative/agent of the foreign supplier, the scale of commission payable shall be determined by the Government, unambigously reflected in the contract and be as per approved guidelines. Particulars related to agency commission would be reported to the agencies concerned to prevent tax evasion.

The Ministry of Defence has so far not booked any person for acting as an Agent in supply of Defence Equipment.